

SENATE BILL 1711

By Crowe

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 27, relative to health insurance for retired state employees and their dependents.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-27-205, is amended by deleting that section in its entirety and by substituting instead the following language:

8-27-205.

(a) The committee established in Section 8-27-101 shall establish a group insurance plan or plans, as it deems necessary and reasonable, for the benefit of retired state employees and their dependents, and retired employees of the University of Tennessee and the state university and community college system and their dependents. Such plans shall be made available to retired employees who are drawing benefits through the consolidated retirement system and to retired employees of the University of Tennessee and the state university and community college system who are drawing benefits through the consolidated retirement system or any other retirement plan as a result of their employment with the University of Tennessee or the state university and community college system. The committee may, at its discretion, determine the benefits package, administrative procedures, eligibility provisions and

rules relating to the group insurance plans taking into account coverage provided under the Medicare program; provided, that any such plans, in conjunction with Medicare benefits, shall provide substantially the same benefits as are provided to state employees under Section 8-27-201(a).

(b) From the appropriations made each year in the General Appropriations Act, the state shall pay, on behalf of each participating retiree, not less than eighty percent (80%) of the cost of each individual's participation in the basic group insurance plan established pursuant to subsection (a). The committee may, in its discretion, establish premiums for each component of the basic plan coverage, in which case the payment on behalf of participating retirees may vary among the different components of plan coverage so long as the aggregate of all premiums within the basic plan is not less than eighty percent (80%) of the total cost of each individual's participation in the basic group insurance plan. The committee shall not consider the cost of life insurance in excess of fifty thousand dollars (\$50,000) in computing the payment to be made on behalf of participating employees. Such optional plans as the committee may adopt pursuant to subdivision (a) shall be fully paid by the participating employees.

SECTION 2. This act shall take effect July 1, 2003, the public welfare requiring it.